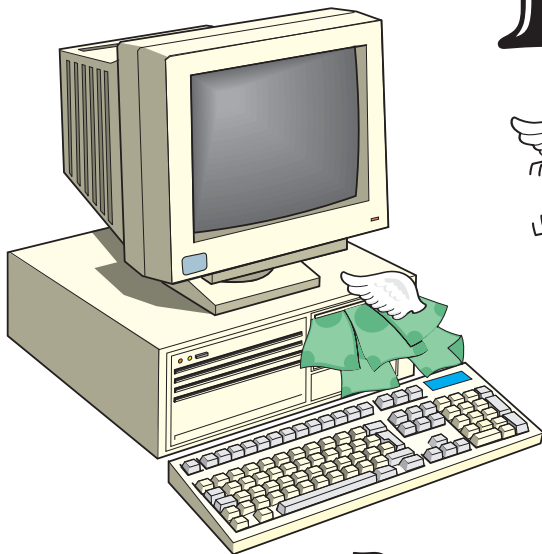


Indiana Department of Revenue

Electronic Funds Transfer



EFT



Program Information Guide
and
Registration Packet

www.in.gov

INTRODUCTION

What is Electronic Funds Transfer (EFT)?

EFT is an electronic method for instructing financial institutions to debit or credit customer accounts and thereby effect a transfer of funds from one account to another. EFT methods are faster and more secure for moving funds than paper checks.

Is EFT Required or Voluntary?

Certain taxpayers are required to remit by EFT, but we encourage everyone to participate in the program. There is no minimum threshold for paying by EFT. Our voluntary program has grown tremendously because of the convenience, cost efficiency, and security associated with paying by EFT.

REQUIRED TAXPAYERS - The thresholds are different for various tax types. The following is a list of the EFT tax types and the thresholds that require a taxpayer to pay by EFT.

Gross Retail Sales and/or Use Tax - If the average monthly payment exceeds \$10,000, tax payments must be made by EFT.

State and County Withholding Tax - If the average monthly payment exceeds \$10,000, tax payments must be made by EFT.

Prepaid Sales Tax on Gasoline - All taxpayers remitting this tax must pay by EFT, regardless of the tax payment amount.

Gasoline Distributors Tax - If the average monthly payment exceeds \$10,000, tax payments must be made by EFT.

Special Fuel Suppliers and Special Fuel Permissive Suppliers Taxes - All taxpayers remitting either of these tax types must remit by EFT, regardless of the tax payment amount.

Corporate Income Tax - If the annual tax due exceeds \$40,000, the quarterly estimated payments must be made by EFT.

Financial Institution Tax - If the annual tax due exceeds \$40,000, the quarterly estimated payments must be made by EFT.

Utility Receipts Tax - If the annual tax due exceeds \$40,000, the quarterly estimated payments must be made by EFT.

What Constitutes Timeliness?

A tax payment made by EFT is considered timely if your account is debited **and/or** the State's receiving account is credited on or before the tax due date. Guidelines to ensure timely payments are outlined in the "EFT Options" section of this packet. If the due date falls on a Saturday, Sunday, or National or State Holiday, the due date becomes the next legal business day.

What Methods of EFT does Indiana Accept?

Indiana's EFT program includes the ACH debit and the ACH credit methods. Fedwires are allowed in emergencies only and must be pre-approved by the EFT section.

DO NOT attempt to deposit funds directly into any bank account listed in this packet. **Do not** confuse this issue with the accepted ACH credit and/or pre-approved fedwire methods which are allowed.

What does ACH Stand for?

ACH is the **Automated Clearing House**, a national clearing house for paper check and EFT transactions.

What Steps are Necessary to Become an EFT Taxpayer?

At the back of this packet is an EFT Authorization Agreement Form (EFT-1). This form must be completed and returned to the EFT section. After this form is processed, you will be notified when to begin remitting by EFT, along with any further instructions regarding remitting your tax payments by EFT.

INDIANA'S EFT OPTIONS

ACH DEBIT & ACH CREDIT

ACH DEBIT

This is the primary method developed by the Department. If this method is selected, the taxpayer makes a toll-free call to initiate a request for the amount of tax payments to be debited from a designated account at their bank. All costs associated with this method are the responsibility of the Department; there are no costs for the taxpayer.

Overview for ACH Debit Option

The taxpayer submits an EFT authorization agreement (EFT-1) designating ACH debit as the EFT method. The taxpayer is then registered in the Department's EFT database. The EFT section issues a letter which confirms receipt of the EFT-1 and advises the taxpayer when to begin remitting by EFT. A separate EFT-1 must be submitted for each tax type that will be remitted by EFT.

Next the Department forwards a taxpayer profile to the third party service provider, the receiver of the toll-free calls requesting the transfer of funds for the tax payments. In addition to the 13-digit Indiana Taxpayer Identification Number, EFT contact name, company name, and address, the bank account information entered on the EFT-1 is also included. The bank account information is also maintained by the Department's bank to ensure the debit requests are presented to the correct taxpayer bank account. The third party service providers must sign contracts with the State agreeing to abide by the same rules of confidentiality as if they are employees of the Department.

After the third party service provider adds the taxpayer to their database, a tax payment calling card and instructions are mailed to the company's contact person listed on the EFT-1. After the taxpayer receives the calling card, they may begin remitting by EFT. The calling cards also contain step-by-step instructions and outline the prompts heard when making tax payment calls. The tax type is listed at the top of the calling card and the numeric code for that tax type is entered on prompt #6 when making tax payment calls.

At the end of a tax payment call, a reference number is provided. You should record the reference number, the date you called to initiate the payment, the amount of the payment, **and** the transfer date you entered during the call. If there is ever any question about a particular payment, you will be asked to provide this information for research purposes.

Each business day, a file from the call center is transmitted to the Department's bank. The file contains the payments, which have been directed by taxpayers to be debited from their account the next legal business day. The bank then submits the file to the ACH for processing. The ACH presents a request for debit to the taxpayer's bank account on the transfer date. The taxpayer's bank statement will contain a message indicating the debit was for an Indiana tax payment and provides the tax type for which the payment was made.

ACH Debit Considerations

- The system has a 30 day warehousing capability. You can call in the tax payment up to 30 days in advance, but indicate it not be debited from your bank account until the due date.
- In order to be considered timely, the call must be completed by 4:00 p.m. E.S.T. of the legal business day before the due date.
- This method is free for the taxpayer.

ACH CREDIT

Taxpayers who choose the ACH credit option are responsible for initiating a transfer of funds representing the tax payment into the Department's receiving bank account. The taxpayer is responsible for any costs associated with the initiation of the transfer. The Department accepts responsibility of the fees assessed by our receiving bank for transfer of the ACH credit tax payment. There is a required addenda record that must be sent with the payment transaction.

Overview of ACH Credit Method

The taxpayer is responsible for making the arrangements necessary to initiate the transfer of funds. The tax payment must be accompanied by identifying information that enables the Department to credit the correct TID#, tax type, and tax period. The required format for this information is Indiana's TXP Format using CCD+. This format is contained in this packet.

Failure to provide the required information in the required format will result in tax payments that cannot automatically post to your account. Manual intervention by the Department's EFT Section can resolve the situation, but your account may temporarily appear to be delinquent. Continued failure to adhere to the required format may result in a 10% penalty assessment.

Each tax type has a separate receiving account number. It is **imperative** that you use the account number for the tax type that you are remitting. The Department has observed numerous incorrectly posted payments because the taxpayer failed to use the correct receiving bank account number. The receiving bank information is listed below, and is also on the TXP Format page included in this packet.

NATIONAL CITY BANK, INDIANA ONE NATIONAL CITY CENTER INDIANAPOLIS, IN 46255

The ABA/transit routing number is: **074000065**
Account numbers and the respective tax types are:

Withholding (WTH)	501980988
Gross Retail Sales & Use (RST)	501980991
Prepaid Sales Tax on Gasoline (PPD)	501769329
Gasoline Distributors (MFT)	501769332
Special Fuel Suppliers (SFT)	501877606
Special Fuel Permissive Suppliers(SFT)	501877606
Corporate Income (COR)	00221915
Financial Institution (FIT)	500528540
Utility Receipts (URT)	758138321

ACH Credit Considerations

- The settlement date of an ACH credit must be on or before the tax payment due date. The settlement date is the day on which the funds are credited to the Department's receiving account and are available to the State.

Special Instructions and Information

Completing the EFT-1 (Authorization Agreement)

Indiana TID# - Enter your 13 digit Indiana TID#. Your Indiana TID# is **not** your Federal ID#, with the exception of Corporate Income, Financial Institution, and Utility Receipts Taxes.

Taxpayers registering for EFT to remit Corporate Income, Financial Institution, or Utility Receipts Taxes will use their 9-digit Federal ID# plus 4 additional digits at the end as assigned by the Department. If you do not know those last 4-digits, contact the EFT Section at (317) 615-2695, or only enter the 9-digit number and we will provide the 4 additional digits required for EFT payments on your confirmation letter.

All other tax types will use a 13-digit number as assigned by the Department to the taxpayer. Taxpayers registering for EFT to remit Retail Sales/Use Tax, Employers' Withholding Tax, or Prepaid Sales Tax on Gasoline can find the 13-digit number by referring to the account number printed on their tax payment coupons, minus the final (14th) digit.

Tax Type - Please complete and submit a separate EFT-1 form for each tax type for which you are registering for EFT.

Bank Information - This section only needs to be completed by those taxpayers selecting the ACH Debit method. You must indicate whether the account is checking or savings. Remember the ABA/Transit routing number must be nine (9) digits. Note: You cannot have multiple accounts for a single tax payment.

Taxpayer Contact - Enter the name of the person who should be contacted with information concerning EFT tax payments, or if there is a problem with EFT payments. Do not enter the name of someone at your bank because we must have a taxpayer contact. Tax service providers may enter their contact information here if they have power of attorney to represent the taxpayer.

Required or Voluntary - Are you registering for EFT because you are required by law, or are you a voluntary participant in the EFT program?

General Information for All EFT Taxpayers

Due Dates

Your tax payment due date does not change when you pay by EFT. Your filing frequency is established by the Department and determines when your tax payments are due. Filing frequencies are based upon average remittances (or calculated tax due) and are automatically reviewed each year by the Department. The department may discover while reviewing your account that your financial records indicate the need for a filing frequency change at any time during the year. You will be notified by mail or by telephone if the Department has changed your filing frequency.

If the due date falls on a Saturday, Sunday, National or State Holiday, the due date becomes the next legal business day.

Tax Type Specific Information

Retail Sales & Use Tax and Withholding Tax

- Your filing frequency stays the same as when you paid by paper check. However, the difference is how often you must file returns/vouchers. A taxpayer whose filing frequency is Early Filer or Monthly and paying by paper check, sends a voucher each month with payment. After a taxpayer begins remitting by EFT, monthly vouchers should not be filed. Instead, quarterly vouchers should be filed to recap the activity for the quarter. Quarterly vouchers should be generated and mailed to you within six (6) weeks of your EFT confirmation letter. If you do not receive the quarterly recap vouchers, contact the EFT Section at (317) 615-2695 for instructions. An exception is Sales Tax taxpayers that have a special four week filing frequency. They will continue to submit a payment voucher for each tax period they remit by EFT.

Corporate Income Tax, Financial Institution Tax, and Utility Receipts Tax

- The three tax types listed above are due on the 20th day of the fourth, sixth, ninth, and twelfth months of the taxable year.
- After you begin remitting quarterly estimated payments by EFT, you do not file vouchers to reflect the payment. The only reconciliation of the tax due and estimated payments made is when the annual tax return is filed.
- Extension and year-end payments are not required to be remitted by EFT, but you still have the option to do so. However, you must claim the payments together as a credit along with any estimated tax payments made for the tax year. Therefore, your return will show a zero dollar amount due.
- Special caution should be used when entering the information required for the “tax period end date” field if you use ACH credit. **The addenda record field should contain the quarter-end date for which the tax is being paid and not the tax year-end date or the payment due date.** You would only use the tax year-end date for your fourth quarter payment, an extension payment, or the year-end payment.

Prepaid Sales Tax on Gasoline

- Due dates and return filing requirements remain the same. EFT payments are due on the 10th and 25th of each month along with the vouchers.

Gasoline Distributors, Special Fuel Suppliers, and Permissive Suppliers

- Due dates and return filing requirements remain the same.

CCD + TXP FORMAT FOR INDIANA ACH CREDITS

POSITION	CONTENT	DESCRIPTION
01	7	Record Type
02-03	05	Addenda Type Code
04-06	TXP	Segment Identifier
07	*	Separator
08-20	XXXXXXXXXXXXXX	Indiana TID# for EFT. Must be 13 digits. This number is listed as EFT ID# on the EFT confirmation letter sent after registration is complete. If you do not know it, contact the EFT Section at (317)615-2695.
21	*	Separator
22-24	XXX	Tax Type Code - Indiana uses a three character alpha code, see chart below.
25	*	Separator
26-31	YYMMDD	Tax Period End Date - DO NOT ENTER DUE DATE.
32	*	Separator
33	T(*)	Payment Type Code - Enter T for Tax. (*) The only exception is for Corporation Income Tax or Financial Institution extension payments, when E should be entered.
34	*	Separator

<u>TAX TYPE</u>	<u>TAX TYPE CODE</u>	<u>STATE RECEIVING BANK ACCOUNT NUMBER</u>	<u>STATE RECEIVING ABA NUMBER</u>
Withholding Tax	WTH	501980988	074000065
Gross Retail Sales and Use Tax	RST	501980991	074000065
Prepaid Sales Tax on Gasoline	PPD	501769329	074000065
Gasoline Distributors	MFT	501769332	074000065
Special Fuel Suppliers or	SFT	501877606	074000065
Special Fuel Permissive Suppliers	SFT	501877606	074000065
Corporate Estimated Payments	COR	00221915	074000065
Financial Institution Tax	FIT	500528540	074000065
Utility Receipts Tax	URT	758138321	074000065

074000065 = NATIONAL CITY BANK, INDIANA



EFT-1
State Form 50110
(R1 / 10-02)

INDIANA DEPARTMENT OF REVENUE
AUTHORIZATION AGREEMENT FORM
FOR ELECTRONIC FUNDS TRANSFER

DATE: _____

INDIANA TAXPAYER ID #: _____

(MUST BE 13 DIGITS) See Special Instructions on Back.

Business Name: _____

Name and Telephone Number of Individual in your Organization that Revenue may contact regarding EFT:

Contact Person: _____
(Not a Bank contact) (Please print)

Address: _____

City, State, Zip: _____

Telephone: _____

☐ EFT Required
or
☐ Voluntary

FOR TAX TYPE:

Please complete a separate form for each Tax Type selected

- | | |
|--|--|
| <input type="checkbox"/> Sales (RST) | <input type="checkbox"/> Special Fuel Suppliers (SFT) |
| <input type="checkbox"/> Withholding (WTH) | <input type="checkbox"/> Special Fuel Permissive Suppliers (SFT) |
| <input type="checkbox"/> Prepaid Sales on Gasoline (PPD) | <input type="checkbox"/> Gasoline Distributors (MFT) |
| <input type="checkbox"/> Corporate Income (COR) | <input type="checkbox"/> Financial Institution (FIT) |
| <input type="checkbox"/> Utility Receipts Tax (URT) | |

Please choose an EFT method. If you choose ACH Debit, you must also complete the banking information portion of this form, as well as attach a copy of a voided check to verify the banking information.

- | | |
|---|---|
| <input type="checkbox"/> ACH Debit* (Complete bank information) | <input type="checkbox"/> Checking or <input type="checkbox"/> Savings |
| <input type="checkbox"/> ACH Credit | |

Bank ABA#: _____
(Transit Routing Number)

Your Account #: _____
(With the above bank)



Authorized Signature

Title

Date

*If ACH Debit is chosen, the taxpayer hereby authorizes the Indiana Department of Revenue to present debit entries into the bank account referenced above as required by Indiana Law. These debits will pertain only to Electronic Funds Transfer payments that the taxpayer has initiated.

This form may be faxed or mailed.
Fax # (317) 615-2691
Questions? (317) 615-2695

EFT Section
Indiana Department of Revenue
P.O. Box 6076
Indianapolis, IN 46206-6076

Completing the EFT-1 (Authorization Agreement)

Indiana TID# - Enter your 13 digit Indiana TID#. Your Indiana TID# is **not** your Federal ID#, with the exception of Corporate Income, Financial Institution, and Utility Receipts Tax.

Taxpayers registering for EFT to remit Corporate Income, Financial Institution, or Utility Receipts Taxes will use their 9-digit Federal ID# plus 4 additional digits at the end as assigned by the Department. If you do not know those last 4-digits, contact the EFT Section at (317) 615-2695, or only enter the 9-digit number and we will provide the 4 additional digits required for EFT payments on your confirmation letter.

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